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RUEHLZ RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHVL #0696/01 2351546
ZNR UUUUU ZZH
R 221546Z AUG 08
FM AMEMBASSY VILNIUS
TO RUEHC/SECSTATE WASHDC 2686
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 03 VILNIUS 000696

AMEMBASSY MINSK SENDS

SIPDIS

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ECON](#) [ENRG](#) [BO](#)

SUBJECT: BELARUS WEEKLY POL/ECON REPORT - August 22, 2008

¶1. The following are brief items of interest compiled by Embassy Minsk.

TABLE OF CONTENTS

Civil Society

- Fewer Parliamentary Hopefuls Apply For Registration (para. 2)
- Opposition Hopefuls Banned From Registration (para. 3)
- Solidarity Demonstration Participants Detained (para. 4)
- Parliamentary Hopeful Fined (para. 5)
- Democratic Seniors Hold Founding Convention (para. 6)
- Regime Frees Three Political Prisoners (para. 7)
- Popular Weekly Editor Questioned Over July 4 Bombing (para. 8)

Domestic Economy

- Core Inflation Accelerates To 6.1 Percent in Jan-July (para. 9)
- Belarus Reports Low Unemployment Rate (para. 10)
- Individual Incomes Up 11.4 Percent in Jan-June (para.11)

Energy

- U.S.-Japanese Company Unable To Participate in a Nuclear Project (para. 12)

Foreign Trade

- Russia Remains Belarus' Main Trading Partner (para. 13)

Quote of the Week (para. 14)

Civil Society

¶2. Fewer Parliamentary Hopefuls Apply For Registration

Central Election Commission (CEC) Secretary Nikolay Lozovik announced August 20 that the number of parliamentary hopefuls who have submitted registration applications to the CEC dropped to half of their 2004 level. The CEC received only 365 applications, and six constituencies will have uncontested elections. Lozovik also noted the "low level of activity" of political parties due to "internal conflicts and leadership problems." He added that only 39 persons have been nominated by opposition political parties to run in the elections.

¶3. Opposition Hopefuls Banned From Registration

On August 18, the police detained for three hours Grodno-based United Civic Party (UCP) leader Yuri Istomin for allegedly "campaigning early" in the town of Novogrudok. Authorities seized

260 copies of leaflets containing information about UCP activities. Istomin called the detention "illegal," as police deliberately prevented him from applying for registration at the Grodno electoral precinct before the deadline at COB August 18. Belarusian Christian Democracy party member and parliamentary candidate Aleksey Aleksandrovich also missed the deadline because he was summoned to the police department in Lepel on August 18 and released late that evening without charge.

14. Solidarity Demonstration Participants Detained

Police apprehended five European Belarus civil campaign activists in central Minsk on August 16. The activists were rallying in protest of detention of political prisoners on the Day of Solidarity, observed monthly by the opposition. All five were released three hours later without charge.

15. Parliamentary Hopeful Fined

On August 15, a Vetka district court fined Belarusian Christian Democracy party member and parliamentary candidate Konstantin Zhukovskiy BYR one million (USD 475). Zhukovskiy was charged with purported violations in the transiting procedures for the restricted Chernobyl zone following his detention July 30 as he collected voters' signatures endorsing his candidacy. He called the fine "groundless" and maintained he would appeal to a higher court.

16. Democratic Seniors Hold Founding Convention

On August 17, a group of pro-democratic retired seniors held a founding conference to establish the "Nashe Pokoleniye" association, which will work on protection of retirees' rights and raise their awareness about the political and social situation in Belarus. This

VILNIUS 00000696 002 OF 003

was the group's second attempt to file for registration with the Ministry of Justice (MOJ), following a registration denial in 2007. The group reportedly convened at a "secret" location due to a number of refusals to rent state-owned venues.

17. Regime Frees Three Political Prisoners

President Lukashenko signed August 15 a clemency edict to release opposition leader and political prisoner Aleksandr Kozulin on the following day. At a press conference on August 20, Kozulin maintained he would only accept his "complete acquittal," called his clemency "humiliating," and urged public protests if 2008 elections were not recognized as "free and fair." On August 20, Lukashenko pardoned jailed entrepreneurs Andrey Kim and Sergey Parsyukevich. Kim dismissed his sentence as well as the grounds for his release as "illegal," and Parsyukevich committed to pursue political activities as he had lost his job and business license during his incarceration.

18. Popular Weekly Editor Questioned Over July 4 Bombing

On August 19, police summoned Sergey Malinovsky, chief editor of the popular weekly, Antenna, to testify in connection with the July 4 bombing. Malinovsky reported that he was fingerprinted, questioned extensively, and warned that he could be called in again.

Domestic Economy

19. Core Inflation Accelerates To 6.1 Percent in Jan-July

The Statistics Ministry reported on August 20 that the rate of inflation reached 0.7 percent in July and 6.1 percent in January-July. Foodstuff prices increased 0.7 percent and 8.1, non-food prices - 0.6 and 3.6 percent, and service prices -1.2 and 7.4 percent in July and January-July, respectively.

10. Belarus Reports Low Unemployment Rate

Economic portals reported August 15 that Belarus' officially registered unemployment rate reached 0.9 percent of the economically

active population as of August 1, 2008. The number of registered unemployed persons declined by 9.5 percent on year to 42,300 persons in July 2008. Women accounted for 63 percent of the unemployed, and young people under 30 years of age for 40 percent. The highest rates of 1.3 percent were registered in the Brest and Vitebsk oblasts.

¶11. Individual Incomes Up 11.4 Percent in Jan-June

The Statistics Ministry announced on August 18 that inflation-adjusted incomes of Belarusian citizens rose by 11.4 percent in January-June 2008. Incomes per capita reached BYR 597,000 (USD 280) a month, an increase from BYR 468,000 (USD 218) in January-June 2007. Approximately 83 percent of all income was spent on commodity and service payments, and the latter grew by 15.8 percent on the year.

----- Energy -----

¶12. U.S.-Japanese Company Unable to Participate in Nuclear Project
Deputy Energy Minister Mikhail Mikhodyuk announced on August 20 that the U.S.-Japanese Westinghouse-Toshiba has officially confirmed it will not bid for construction of the Belarusian nuclear power plant. Mikhodyuk cited lack of an interstate agreement based upon which the company could supply equipment for the Belarusian plant. Meanwhile, the Ministry received a proposal from the Chinese Guangdong Nuclear Power Group to cooperate in nuclear power engineering.

----- Foreign Trade -----

¶13. Russia Remains Belarus' Main Trading Partner

On August 19, the Statistics Ministry released a report reflecting that Belarus traded with 171 countries in January-June 2008, exporting goods to 128, and importing from 157 states. Russia remained Belarus' main trading partner with a share of 49 percent of total foreign trade. Belarus' exports to Russia increased by 42 percent year-on-year to USD 5,579.7 mln and imports increased 70 percent to USD 12,431.6 mln. The Netherlands, Ukraine, Germany, Poland, Latvia, the United Kingdom, China followed with shares of 9.2, 6.9, 4.5, 3.9, 3.1, 2.6, and 2 percent, respectively.

----- Quote of the Week -----

¶14. Freed 2006 Presidential hopeful and former political prisoner Aleksandr Kozulin said at a press conference on August 20 that he

VILNIUS 00000696 003 OF 003

felt "no indications of a stroke, heart attack, or food poisoning" and held the regime liable for any possible "unpleasant" incidents that could happen to him. He also called himself "a nightmare that flaps in the night" for Lukashenko.

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